House of Representatives



General Assembly

File No. 217

January Session, 2017

House Bill No. 6212

House of Representatives, March 27, 2017

The Committee on Labor and Public Employees reported through REP. PORTER of the 94th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING EARNED FAMILY AND MEDICAL LEAVE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- Section 1. (NEW) (*Effective from passage*) As used in this section and sections 2 to 13, inclusive, of this act:
- 3 (1) "Covered employee" means an individual who (A) (i) has earned
- 4 not less than two thousand three hundred twenty-five dollars, or such
- 5 minimum earning threshold as is prescribed by the Labor
- 6 Commissioner pursuant to subsection (f) of section 2 of this act, from
- 7 one or more employers during the employee's highest earning quarter
- 8 within the five most recently completed calendar quarters, and (ii) is
- 9 employed by an employer or not currently employed, or (B) is a self-
- 10 employed person or sole proprietor who is enrolled in the Family and
- 11 Medical Leave Compensation Program pursuant to section 8 of this
- 12 act;
- 13 (2) "Administrator" means the Labor Department;

- 14 (3) "Employ" means to allow or permit to work;
- 15 (4) "Employee" means any person engaged in service to an employer 16 in the state in the business of the employer and shall include a self-
- 17 employed person or sole proprietor in the state who elects coverage
- 18 under section 8 of this act;
- 19 (5) "Employer" means a person engaged in any activity, enterprise
- 20 or business who employs two or more employees, and includes any
- 21 person who acts, directly or indirectly, in the interest of an employer to
- 22 any of the employees of such employer and any successor in interest of
- 23 an employer, and shall include a municipality, a local or regional
- 24 board of education, or a private or parochial elementary or secondary
- 25 school, but shall not include the state. The number of employees of an
- 26 employer shall be determined by the administrator on October first
- 27 annually;
- 28 (6) "Family and medical leave compensation" or "compensation"
- 29 means the paid leave provided to covered employees from the Family
- 30 and Medical Leave Compensation Trust Fund;
- 31 (7) "Family and Medical Leave Compensation Program" or
- 32 "program" means the program established pursuant to section 2 of this
- 33 act;
- 34 (8) "Family and Medical Leave Compensation Trust Fund" or "trust"
- means the trust fund established pursuant to section 3 of this act; and
- 36 (9) "Person" means one or more individuals, partnerships,
- 37 associations, corporations, limited liability companies, business trusts,
- 38 legal representatives or any organized group of persons.
- 39 Sec. 2. (NEW) (Effective from passage) (a) There is established a
- 40 Family and Medical Leave Compensation Program. The program shall
- 41 be administered by the administrator and shall offer up to twelve
- 42 workweeks of family and medical leave compensation to covered
- 43 employees during any twelve-month period as described in section 31-
- 44 51ll of the general statutes, as amended by this act. The administrator

shall begin collecting contributions to the Family and Medical Leave Compensation Trust Fund, established pursuant to section 3 of this act, on or before July 1, 2019, and shall begin to provide compensation to covered employees on and after July 1, 2020. For the purposes of this section and sections 3 to 13, inclusive, of this act, the administrator shall have the power to (1) determine whether an individual meets the requirements for compensation under this section; (2) require a covered employee's claim for compensation pursuant to this section be supported by certification pursuant to section 31-51mm of the general statutes, as amended by this act; (3) examine or cause to be produced or examined, any books, records, documents, contracts or other papers relevant to the eligibility of a covered employee; (4) summon and examine under oath such witnesses as may provide information relevant to a covered employee's claim for family and medical leave compensation; (5) establish procedures and forms for the filing of claims for compensation, including the certification required for establishing eligibility for such compensation; and (6) ensure the confidentiality of records and documents relating to medical certifications, recertifications or medical histories covered employees or covered employees' family members pursuant to section 31-5100 of the general statutes, as amended by this act.

- (b) Each employee shall contribute a percentage of his or her weekly earnings to the Family and Medical Leave Compensation Trust Fund, in a manner and form as prescribed by the administrator pursuant to section 6 of this act. Such contributions shall be utilized to provide compensation to covered employees pursuant to subsections (c) to (e), inclusive, of this section.
- (c) (1) The level of weekly compensation offered to covered employees shall be one hundred per cent of a covered employee's average weekly earnings during the covered employee's highest earning quarter within the five most recently completed calendar quarters preceding the date the leave commences after such earnings have been reduced by any deduction for federal or state taxes, or both, and for the federal Insurance Contributions Act, provided such

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compensation shall not exceed one thousand dollars per week or such maximum compensation threshold as is prescribed by the Labor Commissioner pursuant to subdivision (2) of this subsection. If the Internal Revenue Service determines that family and medical leave compensation is subject to federal income tax and a covered employee elects to have federal income tax deducted and withheld from his or her compensation, the administrator shall deduct and withhold the amount specified in the United States Internal Revenue Code in a manner consistent with the state law.

- (2) Effective July 1, 2020, and not later than each July fifteenth thereafter, the Labor Commissioner shall announce an adjustment to the maximum compensation threshold established pursuant to subdivision (1) of this subsection that shall be equal to the percentage increase between the last complete calendar year and the previous calendar year in the consumer price index for urban wage earners and clerical workers in the northeast urban area of New York-Northern New Jersey-Long Island, NY-NJ-CT-PA, with no seasonal adjustment, as calculated by the United States Department of Labor's Bureau of Labor Statistics, with the amount of the maximum compensation threshold increase rounded to the nearest five cents. The maximum compensation threshold plus the adjustment announced by the Labor Commissioner on July fifteenth shall become the new maximum compensation threshold and shall be effective on the January first immediately following.
- (d) A covered employee shall receive compensation under this section for leave taken for one or more of the reasons listed in subparagraphs (A) to (E), inclusive, of subdivision (2) of subsection (a) of section 31-51ll of the general statutes, as amended by this act, or the reasons listed in subsection (i) of said section or section 31-51ss of the general statutes, as amended by this act, provided such covered employee (1) provides notice to the administrator, and such covered employee's employer, if applicable, of the need for such compensation in a form and a manner as prescribed by the administrator, and (2) upon the request of the administrator, provides certification of such

113 covered employee's need for compensation in accordance with the 114 provisions of section 31-51mm of the general statutes, as amended by 115 this act, to the administrator and such employer, if applicable.

- (e) A covered employee may receive compensation under this section for nonconsecutive hours of leave provided such leave shall not amount to less than eight hours of leave in any workweek. If family and medical leave benefits are taken for eight hours or more, but for less than one full week, such hourly compensation shall be determined on a pro rata basis at the discretion of the administrator.
- (f) Effective July 1, 2020, and not later than each July fifteenth thereafter, the Labor Commissioner shall announce an adjustment to the minimum earning threshold required for an individual to receive compensation under this section that shall be equal to the percentage increase between the last complete calendar year and the previous calendar year in the consumer price index for urban wage earners and clerical workers in the northeast urban area of New York-Northern New Jersey-Long Island, NY-NJ-CT-PA, with no seasonal adjustment, as calculated by the United States Department of Labor's Bureau of Labor Statistics, with the amount of the minimum earning threshold increase rounded to the nearest five cents. The minimum earning threshold plus the adjustment announced by the Labor Commissioner on July fifteenth shall become the new minimum earning threshold and shall be effective on the January first immediately following.
- (g) A covered employee may receive compensation under this section concurrently with any employer-provided employment benefits, provided the total compensation of such covered employee during such period of leave shall not exceed such covered employee's regular rate of compensation.
- (h) No covered employee shall receive compensation under this section concurrently with the provisions of chapter 567 or 568 of the general statutes or any other state or federal program that provides wage replacement.

(i) Any moneys expended from the General Fund for the purpose of 146 (1) administering the Family and Medical Leave Compensation 147 Program, or (2) providing compensation to covered employees shall be 148 reimbursed to the General Fund by the administrator not later than

149 October 1, 2019.

- Sec. 3. (NEW) (Effective from passage) (a) There is established a fund to be known as the "Family and Medical Leave Compensation Trust Fund" the purpose of which shall be to provide compensation to covered employees who take leave pursuant to sections 31-51kk to 31-51qq, inclusive, of the general statutes, as amended by this act, and 31-51ss of the general statutes, as amended by this act. The Family and Medical Leave Compensation Trust Fund shall be a nonlapsing fund held by the State Treasurer separate and apart from all other moneys, funds and accounts. Investment earnings credited to the trust shall become part of the trust.
 - (b) The trust shall constitute an instrumentality of the state and shall perform essential governmental functions, in accordance with the provisions of this section. The trust shall receive and hold all payments and deposits or contributions intended for the trust, as well as gifts, bequests, endowments or federal, state or local grants and any other funds from any public or private source and all earnings until disbursed in accordance with the provisions of this section.
 - (c) The amounts on deposit in the trust shall not constitute property of the state and the trust shall not be construed to be a department, institution or agency of the state. Amounts on deposit in the trust shall not be commingled with state funds and the state shall have no claim to or against, or interest in, such funds. Any contract entered into by or any obligation of the trust shall not constitute a debt or obligation of the state and the state shall have no obligation to any designated beneficiary or any other person on account of the trust and all amounts obligated to be paid from the trust shall be limited to amounts available for such obligation on deposit in the trust. The trust shall continue in existence as long as it holds any deposits or has any

obligations and until its existence is terminated by law and upon termination any unclaimed assets shall return to the state. Property of the trust shall be governed by section 3-61a of the general statutes.

- (d) The State Treasurer shall be responsible for the receipt and investment of moneys held by the trust. The trust shall not receive deposits in any form other than cash. No depositor or designated beneficiary may direct the investment of any contributions or amounts held in the trust other than the specific fund options provided for by the trust.
- (e) The assets of the trust shall be used for the purpose of distributing family and medical leave compensation to covered employees, educating and informing individuals about the program and paying the operational, administrative and investment costs of the trust, including those incurred pursuant to section 6 of this act.
- Sec. 4. (NEW) (*Effective from passage*) The State Treasurer, on behalf of the Family and Medical Leave Compensation Trust Fund and for purposes of the trust, shall:
- 195 (1) Receive and invest moneys in the trust in any instruments, 196 obligations, securities or property in accordance with sections 3 and 5 197 of this act;
- 198 (2) Procure insurance as the State Treasurer deems necessary to 199 protect the trust's property, assets, activities or deposits or 200 contributions to the trust; and
- 201 (3) Apply for, accept and expend gifts, grants or donations from public or private sources to carry out the objectives of the trust.
- Sec. 5. (NEW) (Effective from passage) The State Treasurer shall invest the amounts on deposit in the Family and Medical Leave Compensation Trust Fund in a manner reasonable and appropriate to achieve the objectives of the trust, exercising the discretion and care of a prudent person in similar circumstances with similar objectives. The State Treasurer shall give due consideration to rate of return, risk, term

209 or maturity, diversification of the total portfolio within the trust, 210 liquidity, the projected disbursements and expenditures and the 211 expected payments, deposits, contributions and gifts to be received. 212 The State Treasurer shall not require the trust to invest directly in 213 obligations of the state or any political subdivision of the state or in 214 any investment or other fund administered by the State Treasurer. The 215 assets of the trust shall be continuously invested and reinvested in a 216 manner consistent with the objectives of the trust until disbursed upon

- order of the administrator or expended on expenses incurred by the 218 operations of the trust.
- 219 Sec. 6. (NEW) (Effective from passage) The administrator, in
- 220 consultation with the State Treasurer and the Department of Revenue
- 221 Services, shall establish the procedures necessary to implement the
- 222 Family and Medical Leave Compensation Program. The administrator
- 223 shall:

- 224 (1) Design, establish and operate the program to ensure
- 225 transparency in the management of the program and the Family and
- 226 Medical Leave Compensation Trust Fund through oversight and ethics
- 227 review of plan fiduciaries;
- 228 (2) Design and establish the process by which employees shall
- 229 contribute a portion of their salary or wages to the trust. This process
- 230 shall include, but not be limited to, the creation of an information
- 231 packet including the necessary paperwork for an employee to
- 232 participate in the program pursuant to section 8 of this act;
- 233 (3) Evaluate and establish the process by which employers may
- 234 credit employee contributions to the trust through payroll deposit;
- 235 (4) Determine the amount of employee contributions necessary to
- 236 ensure solvency of the program, provided that total contributions shall
- 237 not be less than four million dollars per month;
- 238 (5) Ensure that contributions to the trust collected from employees
- 239 shall not be used for any purpose other than to provide compensation

to covered employees or to satisfy any expenses, including employee costs, incurred to implement, maintain, advertise and administer the program;

- 243 (6) Establish and maintain a secure Internet web site that displays all 244 public notices issued by the administrator and such other information 245 as the administrator deems relevant and necessary for the education of 246 the public regarding the program; and
 - (7) Not later than January 1, 2018, submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the General Assembly regarding any recommendations for legislative action that may be necessary for the implementation of the program.
- 251 Sec. 7. (NEW) (Effective January 1, 2019) The administrator, in 252 consultation with the State Treasurer, shall conduct a public education 253 campaign to inform individuals and employers about the Family and 254 Medical Leave Compensation Program. Such campaign shall include, 255 but not be limited to, information about the requirements for receiving 256 family and medical leave compensation, how to apply for such 257 compensation and the circumstances for which such compensation 258 may be available. The administrator may use funds contributed to the 259 Family and Medical Leave Compensation Trust Fund for purposes of 260 the public education campaign. Information distributed or made 261 available under the campaign shall be available in English and Spanish 262 and in any other language as prescribed by the administrator.
 - Sec. 8. (NEW) (Effective from passage) (a) A self-employed person or sole proprietor, upon application to the administrator, in a form and manner as prescribed by the administrator, may enroll in the Family and Medical Leave Compensation Program, provided such self-employed person or sole proprietor is enrolled in the program for an initial period of not less than three years. Such self-employed person or sole proprietor may reenroll in the program for a subsequent period, or periods, of not less than one year, provided (1) such self-employed person or sole proprietor provides written notice of such reenrollment to the administrator, and (2) such reenrollment begins immediately

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273 following a period of participation in the program.

(b) A self-employed person or sole proprietor may withdraw from the program upon submitting written notice to the administrator not less than thirty days prior to the expiration of the initial enrollment period, or at such other times as the administrator may prescribe by rule.

Sec. 9. (NEW) (Effective from passage) Any covered employee, or self-employed person or sole proprietor participating in the program, aggrieved by a denial of compensation under the Family and Medical Leave Compensation Program may file a complaint with the Labor Commissioner. Upon receipt of any such complaint, the commissioner shall hold a hearing. After the hearing, the commissioner shall send each party a written copy of the commissioner's decision. The commissioner may award the covered employee, or self-employed person or sole proprietor, all appropriate relief, including any compensation or benefits to which the employee otherwise would have been eligible if such denial had not occurred. Any party aggrieved by the decision of the commissioner may appeal the decision to the Superior Court in accordance with the provisions of chapter 54 of the general statutes.

Sec. 10. (NEW) (Effective January 1, 2020) Each employer shall, at the time of hiring, and annually thereafter, provide notice to each of the employer's employees (1) of the entitlement to family and medical leave under sections 31-51kk to 31-51qq, inclusive, of the general statutes, as amended by this act, and 31-51ss of the general statutes, as amended by this act, and the terms under which such leave may be used, (2) that retaliation by the employer against the employee for requesting, applying for or using family and medical leave for which the employee is eligible is prohibited, and (3) that the employee has a right to file a complaint with the Labor Commissioner for any violation of said sections. Employers shall comply with the provisions of this section by displaying a poster in a conspicuous place, accessible to employees, at the employer's place of business that contains the

306 information required by this section in both English and Spanish. The 307 Labor Commissioner may adopt regulations, in accordance with 308 chapter 54 of the general statutes, to establish additional requirements 309 concerning the means by which employers shall provide such notice.

- Sec. 11. (NEW) (Effective from passage) (a) Any individual or covered employee participating in the program who wilfully makes a false statement or misrepresentation regarding a material fact, or wilfully fails to report a material fact, to obtain family and medical leave compensation shall be disqualified from receiving any compensation under the program for one year.
- 316 (b) If family and medical leave compensation is paid to an 317 individual or covered employee erroneously or as a result of wilful 318 misrepresentation by such individual or covered employee, or if a 319 claim for family and medical leave compensation is rejected after 320 compensation is paid, the administrator may seek repayment of 321 benefits from the individual or covered employee having received 322 such compensation. The Labor Commissioner may, in his or her 323 discretion, waive, in whole or in part, the amount of any such 324 payments where the recovery would be against equity and good 325 conscience.
 - Sec. 12. (NEW) (Effective from passage) (a) The provisions of sections 2 to 13, inclusive, of this act are severable and if any provision is determined to contravene state or federal law, the remainder of sections 2 to 13, inclusive, of this act shall remain in full force and effect.
- 331 (b) Nothing in sections 31-51kk to 31-51qq, inclusive, of the general 332 statutes, as amended by this act, and 31-51ss of the general statutes, as 333 amended by this act, or sections 2 to 13, inclusive, of this act, shall be 334 construed to (1) prevent employers from providing any benefits that 335 are more expansive than those provided for under said sections, (2) 336 diminish any rights provided to any covered employee under the 337 terms of the covered employee's employment or a collective bargaining agreement, or (3) preempt or override the terms of any

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collective bargaining agreement effective prior to the effective date of this section.

- Sec. 13. (NEW) (Effective from passage) Not later than July 1, 2021, and annually thereafter, the Labor Commissioner shall report, in accordance with section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and labor, on (1) the projected and actual participation in the program, (2) the balance of the trust, (3) the size of employers at which covered employees are employed, (4) the reasons covered employees are receiving family and medical leave compensation, (5) the success of the administrator's outreach and education efforts, and (6) demographic information of covered employees, including gender, age, town of residence and income level.
- Sec. 14. Section 31-51kk of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):
 - As used in sections 31-51kk to 31-51qq, inclusive, as amended by this act:
- (1) "Eligible employee" means an [employee] individual who [has 357 358 been employed (A) for at least twelve months by the employer with 359 respect to whom leave is requested; and (B) for at least one thousand 360 hours of service with such employer during the twelve-month period 361 preceding the first day of the leave;] (A) has earned not less than two 362 thousand three hundred twenty-five dollars, or such minimum 363 earning threshold established by the Labor Commissioner pursuant to 364 subsection (f) of section 2 of this act, from one or more employers 365 during the employee's highest earning quarter within the five most 366 recently completed calendar quarters, and (B) is employed by an 367 employer or not currently employed;
- 368 (2) "Employ" includes to allow or permit to work;
- 369 (3) "Employee" means any person engaged in service to an employer

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in the business of the employer;

- (4) "Employer" means a person engaged in any activity, enterprise or business who employs [seventy-five] two or more employees, and includes any person who acts, directly or indirectly, in the interest of an employer to any of the employees of such employer and any successor in interest of an employer, [but shall not] and shall include [the state,] a municipality, a local or regional board of education, or a private or parochial elementary or secondary school, but shall not include the state. The number of employees of an employer shall be determined on October first annually;
 - (5) "Employment benefits" means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits and pensions, regardless of whether such benefits are provided by practice or written policy of an employer or through an "employee benefit plan", as defined in Section 1002(3) of Title 29 of the United States Code;
- 387 (6) "Grandchild" means a grandchild related to a person by (A) blood, (B) marriage, or (C) adoption by a child of the grandparent;
- 389 (7) "Grandparent" means a grandparent related to a person by (A)
 390 blood, (B) marriage, or (C) adoption of a minor child by a child of the
 391 grandparent;
 - [(6)] (8) "Health care provider" means (A) a doctor of medicine or osteopathy who is authorized to practice medicine or surgery by the state in which the doctor practices; (B) a podiatrist, dentist, psychologist, optometrist or chiropractor authorized to practice by the state in which such person practices and performs within the scope of the authorized practice; (C) an advanced practice registered nurse, nurse practitioner, nurse midwife or clinical social worker authorized to practice by the state in which such person practices and performs within the scope of the authorized practice; (D) Christian Science practitioners listed with the First Church of Christ, Scientist in Boston,

402 Massachusetts; (E) any health care provider from whom an employer 403 or a group health plan's benefits manager will accept certification of 404 the existence of a serious health condition to substantiate a claim for 405 benefits; (F) a health care provider as defined in subparagraphs (A) to 406 (E), inclusive, of this subdivision who practices in a country other than 407 the United States, who is licensed to practice in accordance with the 408 laws and regulations of that country; or (G) such other health care 409 provider as the Labor Commissioner determines, performing within 410 the scope of the authorized practice. The commissioner may utilize any 411 determinations made pursuant to chapter 568;

- [(7)] (9) "Parent" means a biological parent, foster parent, adoptive parent, stepparent, parent-in-law or legal guardian of an eligible employee or an eligible employee's spouse, or an individual [who stood] standing in loco parentis to an eligible employee; [when the employee was a son or daughter;]
- [(8)] (10) "Person" means one or more individuals, partnerships, associations, corporations, business trusts, legal representatives or organized groups of persons;
- [(9)] (11) "Reduced leave schedule" means a leave schedule that reduces the usual number of hours per workweek, or hours per workday, of an employee;
- [(10)] (12) "Serious health condition" means an illness, injury, impairment, or physical or mental condition that involves (A) inpatient care in a hospital, hospice, nursing home or residential medical care facility; or (B) continuing treatment, including outpatient treatment, by a health care provider;
- 428 (13) "Sibling" means a brother or sister related to a person by (A) 429 blood, (B) marriage, or (C) adoption by a parent of the person;
- [(11)] (14) "Son or daughter" means a biological, adopted or foster child, stepchild, legal ward, or, in the alternative, a child of a person standing in loco parentis; [, who is (A) under eighteen years of age; or

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(B) eighteen years of age or older and incapable of self-care because of a mental or physical disability;] and

- [(12)] (15) "Spouse" means a [husband or wife, as the case may be] person to whom one is legally married.
- Sec. 15. Section 31-51*ll* of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):
- 439 (a) (1) Subject to section 31-51mm, as amended by this act, an eligible employee shall be entitled to a total of [sixteen] twelve 440 workweeks of leave, which may be compensated under the Family and 441 442 Medical Leave Compensation Program established pursuant to section 2 of this act, during any [twenty-four-month] twelve-month period. [, 443 444 such twenty-four-month] Such twelve-month period [to be] shall be 445 determined utilizing any one of the following methods: (A) 446 [Consecutive calendar years] Calendar year; (B) any fixed [twenty-447 four-month] twelve-month period, such as [two consecutive fiscal 448 years] a fiscal year or a [twenty-four-month] twelve-month period 449 measured forward from an employee's first date of employment; (C) a 450 [twenty-four-month] twelve-month period measured forward from an 451 employee's first day of leave taken under sections 31-51kk to 31-51qq, 452 inclusive, as amended by this act; or (D) a rolling [twenty-four-month] 453 twelve-month period measured backward from an employee's first 454 day of leave taken under sections 31-51kk to 31-51gg, inclusive, as
- 456 (2) Leave under this subsection may be taken for one or more of the following reasons:
- (A) Upon the birth of a son or daughter of the employee;
- (B) Upon the placement of a son or daughter with the employee for adoption or foster care;
- 461 (C) In order to care for the spouse, [or a son,] <u>sibling, son or</u>
 462 daughter, <u>grandparent</u>, <u>grandchild</u> or parent of the employee, if such
 463 spouse, [son,] <u>sibling</u>, <u>son or</u> daughter, <u>grandparent</u>, <u>grandchild</u> or

amended by this act.

464 parent has a serious health condition;

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- (D) Because of a serious health condition of the employee;
- 466 (E) In order to serve as an organ or bone marrow donor; or
- (F) Because of any qualifying exigency, as determined in regulations adopted by the United States Secretary of Labor, arising out of the fact that the spouse, son, daughter or parent of the employee is on active duty, or has been notified of an impending call or order to active duty, in the armed forces, as defined in subsection (a) of section 27-103.
 - (b) Entitlement to leave under subparagraph (A) or (B) of subdivision (2) of subsection (a) of this section may accrue prior to the birth or placement of a son or daughter when such leave is required because of such impending birth or placement.
 - (c) (1) Leave under subparagraph (A) or (B) of subdivision (2) of subsection (a) of this section for the birth or placement of a son or daughter may not be taken by an employee intermittently or on a reduced leave schedule unless the employee and the employer agree otherwise. Subject to subdivision (2) of this subsection concerning an alternative position, subdivision (2) of subsection (f) of this section concerning the duties of the employee and subdivision (5) of subsection (b) of section 31-51mm, as amended by this act, concerning sufficient certification, leave under subparagraph (C) or (D) of subdivision (2) of subsection (a) or under subsection (i) of this section for a serious health condition may be taken intermittently or on a reduced leave schedule when medically necessary. The taking of leave intermittently or on a reduced leave schedule pursuant to this subsection shall not result in a reduction of the total amount of leave to which the employee is entitled under subsection (a) of this section beyond the amount of leave actually taken.
 - (2) If an employee requests intermittent leave or leave on a reduced leave schedule under subparagraph (C), (D) or (E) of subdivision (2) of subsection (a) or under subsection (i) of this section that is foreseeable

based on planned medical treatment, the employer may require the employee to transfer temporarily to an available alternative position offered by the employer for which the employee is qualified and that (A) has equivalent pay and benefits, and (B) better accommodates recurring periods of leave than the regular employment position of the employee, provided the exercise of this authority shall not conflict with any provision of a collective bargaining agreement between such employer and a labor organization which is the collective bargaining representative of the unit of which the employee is a part.

- (d) Except as provided in subsection (e) of this section, leave granted under subsection (a) of this section may consist of unpaid leave.
- (e) (1) If an employer provides paid leave for fewer than [sixteen] twelve workweeks, the additional weeks of leave necessary to attain the [sixteen] twelve workweeks of leave required under sections 5-248a and 31-51kk to 31-51qq, inclusive, as amended by this act, may be provided without compensation or with compensation through the Family and Medical Leave Compensation Program established pursuant to section 2 of this act.
 - (2) (A) An eligible employee may elect [, or an employer may require the employee,] to substitute any of the accrued paid vacation leave, personal leave or family leave of the employee for leave provided under subparagraph (A), (B) or (C) of subdivision (2) of subsection (a) of this section for any part of the [sixteen-week] twelve-week period of such leave under said subsection or under subsection (i) of this section for any part of the twenty-six-week period of such leave.
 - (B) An eligible employee may elect [, or an employer may require the employee,] to substitute any of the accrued paid vacation leave, personal leave, or medical or sick leave of the employee for leave provided under subparagraph (C), (D) or (E) of subdivision (2) of subsection (a) of this section for any part of the [sixteen-week] twelve-week period of such leave under said subsection or under subsection

(i) of this section for any part of the twenty-six-week period of leave, except that nothing in section 5-248a or sections 31-51kk to 31-51qq, inclusive, as amended by this act, shall require an employer to provide paid sick leave or paid medical leave in any situation in which such employer would not normally provide any such paid leave.

- (f) (1) In any case in which the necessity for leave under subparagraph (A) or (B) of subdivision (2) of subsection (a) of this section is foreseeable based on an expected birth or placement of a son or daughter, the employee shall provide the employer with not less than thirty days' notice, before the date of the leave is to begin, of the employee's intention to take leave under said subparagraph (A) or (B), except that if the date of the birth or placement of a son or daughter requires leave to begin in less than thirty days, the employee shall provide such notice as is practicable.
- (2) In any case in which the necessity for leave under subparagraph (C), (D) or (E) of subdivision (2) of subsection (a) or under subsection (i) of this section is foreseeable based on planned medical treatment, the employee (A) shall make a reasonable effort to schedule the treatment so as not to disrupt unduly the operations of the employer, subject to the approval of the health care provider of the employee or the health care provider of the spouse, sibling, son [,] or daughter, [spouse] grandparent, grandchild or parent of the employee, as appropriate; and (B) shall provide the employer with not less than thirty days' notice, before the date the leave is to begin, of the employee's intention to take leave under said subparagraph (C), (D) or (E) or said subsection (i), except that if the date of the treatment requires leave to begin in less than thirty days, the employee shall provide such notice as is practicable.
- (g) In any case in which [a husband and wife] <u>two spouses</u> entitled to leave under subsection (a) of this section are employed by the same employer, the aggregate number of workweeks of leave to which both may be entitled may be limited to [sixteen] <u>twelve</u> workweeks, <u>which</u> may be compensated under the Family and Medical Leave

Compensation Program established pursuant to section 2 of this act, during any [twenty-four-month] twelve-month period, if such leave is taken: (1) Under subparagraph (A) or (B) of subdivision (2) of subsection (a) of this section; or (2) to care for a sick sibling, son or daughter, grandparent, grandchild, or parent under subparagraph (C) of said subdivision. In any case in which [a husband and wife] two spouses entitled to leave under subsection (i) of this section are employed by the same employer, the aggregate number of workweeks of leave to which both may be entitled may be limited to twenty-six workweeks, twelve weeks of which may be compensated under the Family and Medical Leave Compensation Program established pursuant to section 2 of this act, during any twelve-month period.

- (h) Unpaid leave taken pursuant to sections 5-248a and 31-51kk to 31-51qq, inclusive, <u>as amended by this act</u>, shall not be construed to affect an employee's qualification for exemption under chapter 558.
- (i) Subject to section 31-51mm, as amended by this act, an eligible employee who is the spouse, sibling, son or daughter, grandparent, grandchild, parent or next of kin of a current member of the armed forces, as defined in section 27-103, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status or is on the temporary disability retired list for a serious injury or illness incurred in the line of duty shall be entitled to a one-time benefit of twenty-six workweeks of leave, up to twelve weeks of which may be compensated under the Family and Medical Leave Compensation Program established pursuant to section 2 of this act, during any twelve-month period for each armed forces member per serious injury or illness incurred in the line of duty. Such twelve-month period shall commence on an employee's first day of leave taken to care for a covered armed forces member and end on the date twelve months after such first day of leave. For the purposes of this subsection, (1) "next of kin" means the armed forces member's nearest blood relative, other than the covered armed forces member's spouse, [parent] sibling, son or daughter, grandparent, grandchild or parent, in the following order of priority: Blood relatives who have been granted legal custody

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595 of the armed forces member by court decree or statutory provisions, 596 brothers and sisters, grandparents, aunts and uncles, and first cousins, 597 unless the covered armed forces member has specifically designated in 598 writing another blood relative as his or her nearest blood relative for 599 purposes of military caregiver leave, in which case the designated individual shall be deemed to be the covered armed forces member's 600 601 next of kin; and (2) "son or daughter" means a biological, adopted or 602 foster child, stepchild, legal ward or child for whom the eligible 603 employee or armed forces member stood in loco parentis and who is 604 any age.

- (j) Leave taken pursuant to sections 31-51kk to 31-51qq, inclusive, <u>as</u> amended by this act, shall not run concurrently with the provisions of section 31-313.
- (k) Notwithstanding the provisions of sections 5-248a and 31-51kk to 31-51qq, inclusive, <u>as amended by this act</u>, all further rights granted by federal law shall remain in effect.
- Sec. 16. Section 31-51mm of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):
- 613 (a) An employer may require that request for leave based on a 614 serious health condition in subparagraph (C) or (D) of subdivision (2) 615 of subsection (a) of section 31-51ll, as amended by this act, or leave 616 based on subsection (i) of section 31-51ll, as amended by this act, be 617 supported by a certification issued by the health care provider of the 618 eligible employee or of the spouse, sibling, son [,] or daughter, 619 [spouse] grandparent, grandchild, parent or next of kin of the 620 employee, as appropriate. The employee shall provide, in a timely 621 manner, a copy of such certification to the employer.
- (b) Certification provided under subsection (a) of this section shall be sufficient if it states:
- (1) The date on which the serious health condition commenced;
- 625 (2) The probable duration of the condition;

(3) The appropriate medical facts within the knowledge of the health care provider regarding the condition;

- (4) (A) For purposes of leave under subparagraph (C) of subdivision (2) of subsection (a) of section 31-51*ll*, as amended by this act, a statement that the eligible employee is needed to care for the spouse, sibling, son [,] or daughter, [spouse] grandparent, grandchild or parent and an estimate of the amount of time that such employee needs to care for the spouse, sibling, son [,] or daughter, [spouse] grandparent, grandchild or parent; and (B) for purposes of leave under subparagraph (D) of subdivision (2) of subsection (a) of section 31-51*ll*, as amended by this act, a statement that the employee is unable to perform the functions of the position of the employee;
- (5) In the case of certification for intermittent leave or leave on a reduced leave schedule for planned medical treatment, the dates on which such treatment is expected to be given and the duration of such treatment;
- (6) In the case of certification for intermittent leave or leave on a reduced leave schedule under subparagraph (D) of subdivision (2) of subsection (a) of section 31-51*ll*, as amended by this act, a statement of the medical necessity of the intermittent leave or leave on a reduced leave schedule, and the expected duration of the intermittent leave or reduced leave schedule;
- (7) In the case of certification for intermittent leave or leave on a reduced leave schedule under subparagraph (C) of subdivision (2) of subsection (a) of section 31-51*ll*, as amended by this act, a statement that the employee's intermittent leave or leave on a reduced leave schedule is necessary for the care of the spouse, sibling, son [,] or daughter, grandparent, grandchild, or parent [or spouse] who has a serious health condition, or will assist in their recovery, and the expected duration and schedule of the intermittent leave or reduced leave schedule; and
- (8) In the case of certification for intermittent leave or leave on a

reduced leave schedule under subsection (i) of section 31-51*ll*, <u>as</u> <u>amended by this act</u>, a statement that the employee's intermittent leave or leave on a reduced leave schedule is necessary for the care of the spouse, <u>sibling</u>, son or daughter, <u>grandparent</u>, <u>grandchild</u>, parent or next of kin who is a current member of the armed forces, as defined in section 27-103, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status or is on the temporary disability retired list, for a serious injury or illness incurred in the line of duty, and the expected duration and schedule of the intermittent leave or reduced leave schedule. For the purposes of this subsection, "son or daughter" and "next of kin" have the same meanings as provided in subsection (i) of section 31-51*ll*, as amended by this act.

- (c) (1) In any case in which the employer has reason to doubt the validity of the certification provided under subsection (a) of this section for leave under subparagraph (C) or (D) of subdivision (2) of subsection (a) or under subsection (i) of section 31-51*ll*, as amended by this act, the employer may require, at the expense of the employer, that the eligible employee obtain the opinion of a second health care provider designated or approved by the employer concerning any information certified under subsection (b) of this section for such leave.
- (2) A health care provider designated or approved under subdivision (1) of this subsection shall not be employed on a regular basis by the employer.
- (d) (1) In any case in which the second opinion described in subsection (c) of this section differs from the opinion in the original certification provided under subsection (a) of this section, the employer may require, at the expense of the employer, that the employee obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee concerning the information certified under subsection (b) of this section.
- (2) The opinion of the third health care provider concerning the information certified under subsection (b) of this section shall be considered to be final and shall be binding on the employer and the

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(e) The employer may require that the eligible employee obtain subsequent recertifications on a reasonable basis, provided the standards for determining what constitutes a reasonable basis for recertification may be governed by a collective bargaining agreement between such employer and a labor organization which is the collective bargaining representative of the unit of which the worker is a part if such a collective bargaining agreement is in effect. Unless otherwise required by the employee's health care provider, the employer may not require recertification more than once during a thirty-day period and, in any case, may not unreasonably require recertification. The employer shall pay for any recertification that is not covered by the employee's health insurance.

Sec. 17. Section 31-5100 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

706 Records and documents relating to medical certifications, 707 recertifications or medical histories of employees or employees' family 708 members, created for purposes of sections 5-248a and 31-51kk to 31-709 51qq, inclusive, as amended by this act, and sections 2 to 13, inclusive, 710 of this act shall be maintained as medical records pursuant to chapter 711 563a, except that: (1) Supervisors and managers may be informed 712 regarding necessary restrictions on the work or duties of an employee 713 and necessary accommodations; (2) first aid and safety personnel may 714 be informed, when appropriate, if the employee's physical or medical 715 condition might require emergency treatment; and (3) government 716 officials investigating compliance with sections 5-248a and 31-51kk to 717 31-51qq, inclusive, as amended by this act, and sections 2 to 13, 718 inclusive, of this act, or other pertinent law shall be provided relevant 719 information upon request.

- Sec. 18. Section 31-51pp of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):
- 722 (a) (1) It shall be a violation of sections 5-248a and 31-51kk to 31-

51qq, inclusive, <u>as amended by this act</u>, for any employer to interfere with, restrain or deny the exercise of, or the attempt to exercise, any right provided under said sections.

- (2) It shall be a violation of sections 5-248a and 31-51kk to 31-51qq, inclusive, as amended by this act, for any employer to discharge or cause to be discharged, or in any other manner discriminate, against any individual for opposing any practice made unlawful by said sections or because such employee has exercised the rights afforded to such employee under said sections.
- (b) It shall be a violation of sections 5-248a and 31-51kk to 31-51qq, inclusive, <u>as amended by this act</u>, for any person to discharge or cause to be discharged, or in any other manner discriminate, against any individual because such individual:
- (1) Has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to sections 5-248a and 31-51kk to 31-51qq, inclusive, as amended by this act;
- 739 (2) Has given, or is about to give, any information in connection 740 with any inquiry or proceeding relating to any right provided under 741 said sections; or
 - (3) Has testified, or is about to testify, in any inquiry or proceeding relating to any right provided under said sections.
 - (c) (1) It shall be a violation of sections 31-51kk to 31-51qq, inclusive, as amended by this act, for any employer to deny an employee the right to use up to two weeks of accumulated sick leave or to discharge, threaten to discharge, demote, suspend or in any manner discriminate against an employee for using, or attempting to exercise the right to use, up to two weeks of accumulated sick leave to attend to a serious health condition of a <u>spouse</u>, <u>sibling</u>, son or daughter, [spouse] <u>grandparent</u>, <u>grandchild</u> or parent of the employee, or for the birth or adoption of a son or daughter of the employee. For purposes of this subsection, "sick leave" means an absence from work for which

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compensation is provided through (A) an employer's bona fide written policy providing compensation for loss of wages occasioned by illness, or (B) the Family and Medical Leave Compensation Program established pursuant to section 2 of this act, but does not include absences from work for which compensation is provided through an employer's plan, including, but not limited to, a short or long-term disability plan, whether or not such plan is self-insured.

- (2) Any employee aggrieved by a violation of this subsection may file a complaint with the Labor Commissioner alleging violation of the provisions of this subsection. Upon receipt of any such complaint, the commissioner shall hold a hearing. After the hearing, the commissioner shall send each party a written copy of the commissioner's decision. The commissioner may award the employee all appropriate relief, including rehiring or reinstatement to the employee's previous job, payment of back wages and reestablishment of employee benefits to which the employee otherwise would have been eligible if a violation of this subsection had not occurred. Any party aggrieved by the decision of the commissioner may appeal the decision to the Superior Court in accordance with the provisions of chapter 54.
- 774 (3) The rights and remedies specified in this subsection are 775 cumulative and nonexclusive and are in addition to any other rights or 776 remedies afforded by contract or under other provisions of law.
- 777 Sec. 19. Section 31-51qq of the general statutes is repealed and the 778 following is substituted in lieu thereof (*Effective July 1, 2019*):

On or before [January 1, 1997] <u>July 1, 2019</u>, the Labor Commissioner shall adopt regulations, in accordance with the provisions of chapter 54, to establish procedures and guidelines necessary to implement the provisions of sections [5-248a and] 31-51kk to 31-51qq, inclusive, <u>as amended by this act</u>, and sections 2 to 13, inclusive, of this act, including, but not limited to, procedures for hearings and redress, including restoration and restitution, for an employee who believes that there is a violation by the employer of such employee of any

787 provision of said sections. [In adopting such regulations, the

- 788 commissioner shall make reasonable efforts to ensure compatibility of
- 789 state regulatory provisions with similar provisions of the federal
- 790 Family and Medical Leave Act of 1993 and the regulations
- 791 promulgated pursuant to said act.]
- Sec. 20. Section 31-51ss of the general statutes is repealed and the
- 793 following is substituted in lieu thereof (*Effective July 1, 2020*):
- 794 (a) For the purposes of this section:
- 795 (1) "Employer" means a person engaged in business who has three
- or more employees, including the state and any political subdivision of
- 797 the state;
- 798 (2) "Employee" means any person engaged in service to an employer
- 799 in the business of the employer;
- 800 (3) "Family violence" means family violence, as defined in section
- 801 46b-38a; and
- 802 (4) "Leave" includes paid or unpaid leave which may include, but is
- 803 not limited to, compensatory time, vacation time, personal days off,
- 804 <u>leave under the Family and Medical Leave Compensation Program</u>
- 805 established pursuant to section 2 of this act or other time off.
- (b) If an employee is a victim of family violence, an employer shall
- 807 permit the employee to take paid or unpaid leave during any calendar
- year in which such leave is reasonably necessary (1) to seek medical
- 809 care or psychological or other counseling for physical or psychological
- 810 injury or disability for the victim, (2) to obtain services from a victim
- services organization on behalf of the victim, (3) to relocate due to such
- 812 family violence, or (4) to participate in any civil or criminal proceeding
- 813 related to or resulting from such family violence. An employer may
- 814 limit unpaid leave under this section to twelve days during any
- 815 calendar year. Leave under this section shall not affect any other leave
- 816 provided under state or federal law.

(c) If an employee's need to use leave under this section is foreseeable, an employer may require advance notice, not to exceed seven days prior to the date such leave is to begin, of the intention to use such leave. If an employee's need for such leave is not foreseeable, an employer may require an employee to give notice of such intention as soon as practicable.

- (d) Upon an employer's request, an employee who takes leave pursuant to this section shall provide the employer a signed written statement certifying that the leave is for a purpose authorized under this section. The employer may also, but need not, request that the employee provide a police or court record related to the family violence or a signed written statement that the employee is a victim of family violence, provided such statement is from an employee or agent of a victim services organization, an attorney, an employee of the Judicial Branch's Office of Victim Services or the Office of the Victim Advocate, or a licensed medical professional or other licensed professional from whom the employee has sought assistance with respect to the family violence.
- (e) Nothing in this section shall be construed to (1) prevent employers from providing more leave than is required under this section, (2) diminish any rights provided to any employee under the terms of the employee's employment or a collective bargaining agreement, or (3) preempt or override the terms of any collective bargaining agreement effective prior to October 1, 2010.
- (f) Nothing in this section shall be construed to require an employer to provide paid leave under this section if (1) the employee is not entitled to paid leave pursuant to the terms and conditions of the employee's employment or under the Family and Medical Leave Compensation Program established pursuant to section 2 of this act, or (2) such paid leave exceeds the maximum amount of leave due the employee during any calendar year, provided the employee shall be entitled to unpaid leave under this section if paid leave is exhausted or not provided.

(g) Any written statement or police or court record provided to an employer pursuant to subsection (d) of this section shall be maintained as confidential by the employer and shall not be further disclosed by the employer except as required by federal or state law or as necessary to protect the employee's safety in the workplace, provided the employee is given notice prior to the disclosure.

- (h) If an employer discharges, penalizes or threatens or otherwise coerces an employee in violation of this section, the employee, not later than one hundred eighty days from the occurrence of such action, may bring a civil action for damages and for an order requiring the employee's reinstatement or otherwise rescinding such action. If the employee prevails, the employee shall be allowed a reasonable attorney's fee to be fixed by the court.
- Sec. 21. Section 3-13c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):
- 865 Trust funds as used in sections 3-13 to 3-13e, inclusive, and 3-31b 866 shall be construed to include Connecticut Municipal Employees' 867 Retirement Fund A, Connecticut Municipal Employees' Retirement 868 Fund B, Soldiers, Sailors and Marines Fund, Family and Medical Leave 869 Compensation Trust Fund, State's Attorneys' Retirement Fund, 870 Annuity Fund, Teachers' Pension Fund, 871 Survivorship and Dependency Fund, School Fund, State Employees 872 Retirement Fund, the Hospital Insurance Fund, Policemen and 873 Firemen Survivor's Benefit Fund and all other trust funds 874 administered, held or invested by the State Treasurer.
- Sec. 22. Section 31-51rr of the general statutes is repealed. (*Effective Iuly 1, 2020*)

This act shall take effect as follows and shall amend the following sections:				
Section 1	from passage	New section		
Sec. 2	from passage	New section		
Sec. 3	from passage	New section		

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Sec. 4	from passage	New section
Sec. 5	from passage	New section
Sec. 6	from passage	New section
Sec. 7	January 1, 2019	New section
Sec. 8	from passage	New section
Sec. 9	from passage	New section
Sec. 10	January 1, 2020	New section
Sec. 11	from passage	New section
Sec. 12	from passage	New section
Sec. 13	from passage	New section
Sec. 14	July 1, 2020	31-51kk
Sec. 15	July 1, 2020	31-51 <i>ll</i>
Sec. 16	July 1, 2020	31-51mm
Sec. 17	July 1, 2020	31-5100
Sec. 18	July 1, 2020	31-51pp
Sec. 19	July 1, 2019	31-51qq
Sec. 20	July 1, 2020	31-51ss
Sec. 21	July 1, 2017	3-13c
Sec. 22	July 1, 2020	Repealer section

LAB Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 18 \$	FY 19 \$
Labor Dept.	GF - Cost	None	See Below
State Comptroller - Fringe	GF - Cost	None	See Below
Benefits ¹			
Labor Dept.	Family Medical	None	See Below
-	Leave		
	Compensation		
	Trust Fund -		
	Cost/Revenue		
	Gain		
Treasurer	GF - Cost	75,000	None
Treasurer	GF - Potential	See Below	See Below
	Cost		

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 18 \$	FY 19 \$
Various Municipalities	STATE	See Below	See Below
_	MANDATE		
	- Cost		

Explanation

The bill expands the state's current Family Medical Leave Act (FMLA) law as it applies to the private sector and municipalities, and establishes a Family and Medical Leave Compensation (FMLC) program. This results in a significant annual state cost beginning in FY 19, as well as a potential cost to various municipalities beginning in FY

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 38.08% of payroll in FY 18 and FY 19.

21. These impacts are explained in detail below.

Expanded FMLA Municipal Impact

The bill expands private sector FMLA provisions to municipalities. Municipalities must currently comply with federal FMLA requirements. However, there is a potential cost to the extent that the bill requires municipalities to provide benefits beyond what is required under federal FMLA.

For example, a municipality would incur increased costs if an employee who is ineligible for FMLA under current law goes on FMLA leave and has a shift covered by an employee with a higher salary, or by an employee working an overtime shift.

Expanded FMLA Administrative Costs

The bill expands the FMLA law by reducing, from 75 to two, the minimum number of employees that makes an employer subject to FMLA beginning July 1, 2020. The bill also extends allowable leave under FMLA to caring for grandparents, grandchildren, and siblings, in addition to relatives covered under current law. This results in a cost to the Department of Labor (DOL) of \$414,240 beginning in FY 21 and associated with one Principal Attorney (\$100,000 for salary and \$38,080 for fringe costs), two Staff Attorneys (\$75,000 for salary and \$28,560 for fringe costs), and one Administrative Assistant (\$50,000 for salary and \$19,040 for fringe costs).

This estimate is based on the current costs for handling all FMLA inquiries and investigating complaints of alleged violation. There are currently 3,129 employers with 950,117 employees covered by existing FMLA law; it is projected that the bill would expand coverage to include approximately 57,700 employers with approximately 1,587,400 employees.

FMLC Program

The bill establishes the FMLC program to provide wage

replacement benefits to covered employees taking leave under certain circumstances. This results in estimated administrative costs to DOL of approximately \$13.6 million in FY 19 and up to \$18.6 million annually thereafter, including fringe benefits.

The bill specifies the costs of administering the FMLC program are to be covered by the FMLC Trust Fund, which receives revenue from employee contributions as determined by the Labor Commissioner. However, no contributions to the FMLC Trust Fund are anticipated to be collected before July 1, 2019. Consequently, it is assumed the General Fund will cover the costs of the program until such time that FMLC Trust Fund revenues are sufficient.²

The FY 19 start-up costs include approximately \$4.7 million in salaries and fringe costs, \$7.7 million for information technology, \$776,700 for overhead and capital needs, and \$340,000 for outreach and marketing. The fully annualized cost of program administration increases to approximately \$18.6 million beginning as early as FY 20.

The bill results in one-time costs associated with the establishment of the FMLC Trust Fund of up to \$75,000, which includes funding for legal fees and asset allocation consultation.

There will be ongoing annual administrative and investment costs associated with the FMLC as a result of the bill. When fully funded, these costs will be paid for by the investment fund itself. To the extent that there are ongoing administrative and investment costs prior to funding being available in the FMLC, these costs will initially be paid through the General Fund before being reimbursed by the FMLC.

Administrative cost estimates are based on the costs identified in the "Implementing Paid Family and Medical Leave Insurance Connecticut" report undertaken by the Institute for Women's Policy

HB6212 / File No. 217

² The bill specifies that any funds expended from the General Fund for the purpose of administering the FMLC program be reimbursed no later than October 1, 2019.

Research pursuant to a contract with the Labor Department.³

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Institute for Women's Policy Research "Implementing Paid Family and Medical Leave Insurance Connecticut"

³ Section 413 of PA 15-5 JSS required the Labor Commissioner to contract with a consultant to create an implementation plan for a paid family and medical leave program by October 1, 2015, including an actuarial analysis and report on the employee contribution level needed to ensure sustainable funding and administration for the program.

OLR Bill Analysis HB 6212

AN ACT CONCERNING EARNED FAMILY AND MEDICAL LEAVE.

SUMMARY

This bill creates the Family and Medical Leave Compensation (FMLC) program to provide wage replacement benefits to certain employees taking leave under the state's Family and Medical Leave Act (FMLA) or the family violence leave law, as amended by the bill. It provides them with up to 12 weeks of FMLC benefits over a 12-month period in an amount equal to the employee's average weekly net earnings during their highest earning quarter within the five most recently completed calendar quarters, up to a maximum of \$1,000 per week (or an inflation adjusted equivalent). The program is funded by employee contributions. It does not cover the state or state employees and any references to "employers" or "employees" below do not include them.

Under the bill, employees eligible for benefits ("covered employees") are:

- 1. people who earned at least \$2,325 (or an inflation adjusted equivalent) from one or more employers during their highest earning quarter within the five most recently completed calendar quarters and are (a) employed by an employer with at least two employees or (b) unemployed and
- 2. sole practitioners and self-employed people who enroll in the program.

The bill requires the Department of Labor (DOL) to administer the FMLC program and, among other things, determine the amount that employees must contribute to the program to ensure (1) its solvency

and (2) that total employee contributions are at least \$4 million per month. By July 1, 2019, DOL must begin collecting contributions from employees who work for employers with at least two employees and the self-employed and sole proprietors who enroll in the program. The program must begin paying FMLC benefits by July 1, 2020.

The bill establishes the FMLC Trust Fund to hold employee contributions and pay for FMLC benefits and administrative costs. Any funds expended from the General Fund to administer the program or provide benefits must be reimbursed to the General Fund by October 1, 2019.

The bill also changes various provisions of the state's FMLA and family violence leave law, which generally require certain employers to provide unpaid leave to employees for various reasons related to their health or their family members' health. Among other things it:

- 1. expands the FMLA's coverage from private-sector employers with at least 75 employees to all employers with at least two employees, including municipalities and other currently exempted employers (such as private schools), but not the state;
- 2. makes employees eligible for FMLA leave if they meet the FMLC's minimum earnings requirement (current law requires (a) private-sector employees to have been employed by their employer for at least 12 months and 1,000 work-hours and (b) most municipal employees to have been employed by their employer for at least 12 months and 1,250 work-hours);
- 3. changes the maximum FMLA leave allowed for currently covered private sector employees from 16 weeks over a 24-month period to 12 weeks over a 12-month period which reduces the amount of leave certain employees can potentially take over two years;
- 4. eliminates an employer's ability to require an employee taking FMLA leave to use his or her employer-provided paid sick time

or other employer-provided paid leave; and

5. adds to the family members for whom an employee can take FMLA leave to include the employee's siblings, grandparents, and grandchildren (including those related by marriage).

The bill requires the labor commissioner to adopt regulations by July 1, 2019, to implement the FMLC program and the bill's changes to the FMLA. It also makes numerous minor and conforming changes.

EFFECTIVE DATE: Upon passage, except the provisions that (1) extend requirements for funds administered by the treasurer to the FMLC Trust Fund are effective July 1, 2017; (2) require the treasurer to conduct a public education campaign are effective January 1, 2019; (3) require the labor commissioner to adopt regulations are effective July 1, 2019; (4) establish employer notice requirements are effective January 1, 2020; and (5) affect the terms of the current family medical leave laws are effective July 1, 2020.

FAMILY AND MEDICAL LEAVE COMPENSATION PROGRAM §§ 2, 6, 8 & 19 — The FMLC Program

Administration. The bill establishes the FMLC program and requires DOL to administer it. It authorizes DOL to:

- 1. determine if a person is eligible for FMLC;
- 2. require a covered employee to provide certification from a health care provider to support the employee's FMLC claim;
- 3. request and examine any books, records, documents, contracts, or other papers relevant to a covered employee's eligibility;
- 4. summon and examine under oath any witnesses that can provide information relevant to a covered employee's FMLC claim;
- 5. establish procedures and forms for filing FMLC claims; and

6. ensure the confidentiality of records and documents related to medical certification, recertifications, or medical histories of covered employees and their family members, as required under the FMLA.

The bill also requires DOL, in consultation with the state treasurer and the Department of Revenue Services, to establish the procedures needed to implement the program. DOL must:

- 1. design, establish, and operate the program to ensure transparency in program management and the FMLC Trust Fund through oversight and ethics reviews of plan fiduciaries;
- 2. establish and maintain a secure internet website that displays public notices from DOL and other information it deems relevant and necessary to educate the public about the FMLC program; and
- 3. submit a report to the General Assembly by January 1, 2018 with recommendations for legislative action needed to implement the program.

The bill requires the labor commissioner, by July 1, 2019, to adopt regulations to establish the procedures and guidelines needed to implement the FMLC program and the bill's related changes to the private-sector FMLA. The regulations must at least include procedures for hearings and redress, including restoration and restitution, for an employee who believes an employer has violated any of the bill's or these laws' provisions. Unlike the current regulations for private-sector FMLA and state employee family medical leave, the commissioner does not have to make reasonable efforts to ensure the regulations are compatible with the federal FMLA and its regulations.

Employee Contributions. The bill requires (1) DOL to begin collecting contributions to the FMLC Trust Fund by July 1, 2019 and (2) every employee who works for an employer with at least two employees and the self-employed and sole proprietors who opt in to

the program to contribute a percentage of his or her weekly earnings to the trust fund in a manner the commissioner prescribes. The department must determine the amount of contributions necessary to ensure (1) the program's solvency and (2) that contributions total at least \$4 million per month. The bill also requires DOL to:

- 1. design and establish the process by which employees must contribute a portion of their salaries to the trust fund, including creating an information packet with the necessary paperwork for participating;
- 2. evaluate and establish a process that allows employers to credit their employee's contributions to the trust fund through payroll deposit; and
- 3. ensure that contributions are only used to provide FMLC benefits and pay for the program's expenses, including employee costs and the costs of implementing, maintaining, advertising, and administering the program.

FMLC Benefits. The bill requires DOL, by July 1, 2020, to begin paying FMLC benefits to covered employees who file claims. The program must provide up to 12 weeks of FMLC benefits to covered employees during a 12-month period, which can be determined as a:

- 1. calendar year;
- 2. fixed 12-month period (e.g., a fiscal year or 12-month period measured from an employee's first day of employment);
- 3. 12-month period measured forward from an employee's first day of leave; or
- 4. rolling 12-month period measured backward from an employee's first day of leave.

Under the bill, a covered employee's weekly benefit is 100% of his or her average weekly earnings during his or her highest earning quarter

within the five most recently completed calendar quarters before going on leave, after state and federal tax deductions. But the benefit cannot be more than \$1,000 per week, or an inflation adjusted equivalent.

If the IRS determines that FMLC benefits are subject to federal income taxes and the employee chooses to have the taxes withheld from the benefits, DOL must deduct and withhold the amount required by the U.S. Internal Revenue Code in a manner consistent with state law. (The bill does not specify how contributions to the fund or benefits paid from it will be treated under state tax laws.)

Inflation Adjustments. Starting July 1, 2020 and by July 15 each year, the bill requires the labor commissioner to annually announce an adjustment to the minimum earnings threshold and benefit cap based on the Consumer Price Index (CPI) for urban wage earners and clerical workers in the northeast urban area of New York-Northern New Jersey-Long Island, NY-NJ-CT-PA, with no seasonal adjustment, as calculated by the U.S. Bureau of Labor Statistics. The adjustment must be the CPI's percentage increase between the last complete calendar year and the previous calendar year, with the amount of the increase rounded to the nearest five cents. The adjusted earnings threshold and benefit cap take effect on the following January first.

Benefit Uses. The bill allows a covered employee to receive FMLC benefits for leave taken for any of the reasons allowed under the state's private-sector FMLA or family violence leave law, as amended by the bill. These allow leave:

- 1. on the birth of the employee's son or daughter;
- 2. on the placement of a son or daughter with the employee for adoption or foster care;
- 3. for a spouse's, sibling's, son's, daughter's, grandparent's, grandchild's, or parent's serious health condition;
- 4. for the employee's own serious health condition;

- 5. to serve as an organ or bone marrow donor;
- 6. for certain family members who are armed forces members undergoing treatment for an injury or illness incurred in the line of duty;
- 7. under certain circumstances when certain family members are in the armed forces and on active duty or have been notified of an impending call or order to active duty; and
- 8. for family violence victims, to (a) seek medical care or psychological counseling, (b) obtain services from a victim services organization, (c) relocate because of family violence, or (d) participate in any civil or criminal proceeding related to, or resulting from, the family violence.

To qualify for benefits under the bill, an employee must notify DOL and his or her employer, if applicable, of the need for FMLC benefits. The department must determine the notice's form and manner. If DOL requests it, the employee must also provide a health care provider's certification as required under the FMLA law.

The bill allows an employee to receive benefits for nonconsecutive hours of leave, but limits the benefits to an eight-hour minimum in any workweek. If an employee takes benefits for at least eight hours, but less than one week, the employee's hourly compensation must be determined on a pro rata basis at DOL's discretion.

The bill allows employees to receive FMLC benefits concurrently with any employer-provided employment benefits as long as their total compensation while they are on leave does not exceed their regular compensation rate. Under the bill, no employees can receive FMLC benefits concurrently with unemployment compensation benefits or workers' compensation benefits.

§§ 3-5 & 21 — The FMLC Trust Fund

The FMLC Trust Fund. The bill establishes the FMLC Trust Fund to

provide FMLC benefits to covered employees taking leave under the FMLA or the family violence leave law, as amended by the bill. The trust's assets must be used for (1) FMLC benefits; (2) educating and informing people about the program; and (3) paying the trust's operational, administrative, and investment costs. It must be a non-lapsing fund held by the state treasurer separate and apart from all other moneys, funds, and accounts. Investment earnings credited to the fund must become part of it.

The bill makes the trust an instrumentality of the state and requires it to perform essential governmental functions under the bill. It must receive and hold all payments and deposits or contributions intended for it, plus any gifts, bequests, and endowments; federal, state, or local grants; any other funds from a public or private source; and all earnings until disbursed under the bill's provisions.

Under the bill, the amounts deposited in the trust are not state property, and the trust must not be construed as a state department, institution, or agency. Amounts in the trust cannot be comingled with state funds, and the state must not have any claim to or against, or interest in, the funds. If the fund is terminated by law, however, any unclaimed funds become assets of the state.

Any contract or obligation made by the trust is not a state debt or obligation, and the state does not have any obligation to a designated beneficiary or any other person because of the trust. All debts owed by the trust are limited to the amounts available to pay the debt deposited in the trust. The trust must exist (1) as long as it holds any deposits or has any obligations and (2) until it is terminated by law.

The law for determining when property held by a fiduciary is presumed abandoned applies to the trust's property (CGS § 3-61a). Thus, property in the trust is presumed abandoned unless, within seven years after it became payable or distributable, the owner has (1) increased or decreased the principal, (2) accepted payment of principal or income, (3) corresponded in writing with the fiduciary concerning the property, or (4) otherwise indicated an interest through a

memorandum on file with the fiduciary.

State Treasurer's Duties. The bill makes the state treasurer responsible for receiving and investing money held by the trust. The trust can only receive cash deposits, and no depositor or designated beneficiary may direct the investments of any contributions or amounts in the trust other than the specific fund options the trust provides.

The bill requires the treasurer, on behalf of the FMLC Trust Fund and for its purposes, to:

- 1. receive and invest the trust's funds in any instruments, obligations, securities, or property required under the bill;
- 2. procure insurance, if she deems it necessary, to protect the trust's property, assets, activities, deposits, or contributions; and
- 3. apply for, accept, and expend gifts, grants, or donations from public or private sources to carry out the trust's objectives.

The bill requires the treasurer to invest the trust's fund in a manner reasonable and appropriate to the trust's objectives, using the discretion and care of a reasonable person in similar circumstances with similar objectives. The treasurer must give due consideration to (1) rate of return; (2) risk; (3) term or maturity; (4) diversification of the trust's total portfolio; (5) liquidity; (6) projected disbursements and expenditures; and (7) expected payments, deposits, contributions, and gifts to be received.

The bill prohibits the treasurer from requiring the trust to invest directly in any obligations of the state or its political subdivisions, or in any other treasurer-administered investment or fund. The trust's assets must be continuously invested and reinvested in a manner consistent with the trust's objectives until they are disbursed under DOL's order or spent on the trust's operating expenses.

The bill places the treasurer's trust investments under the same

oversight and requirements the law establishes for treasureradministered funds, including the Teachers' Pension Fund, the State Employee Retirement Fund, and the Connecticut Municipal Employees' Retirement Fund.

§ 7 — FMLC Public Education Campaign

The bill requires DOL, in consultation with the state treasurer, to conduct a public education campaign to inform the public and employers about the FMLC program. The campaign must at least include information about (1) the requirements for receiving benefits under the program and (2) how to apply for benefits and the circumstances under which benefits may be available. The bill allows DOL to use funds from the FMLC Trust Fund for the public education campaign. Information distributed or available under the campaign must be in English, Spanish, and any other language the department prescribes.

§ 8 — Participation by Sole Proprietors and the Self-Employed

The bill allows someone who is self-employed or a sole proprietor to enroll in the FMLC program and includes them in its definition of "covered employees" and "employees." Such a person must apply to DOL for enrollment in the program, in a form and manner the department prescribes. The person can enroll as long as he or she initially does so for at least three years. The person can re-enroll in the program for periods of at least one year if he or she provides written notice to DOL and the re-enrollment begins immediately after a subsequent period of participation in the program. (Presumably, this means that a sole proprietor would have to re-enroll for at least three years if he or she had any breaks in enrollment.)

Under the bill, a sole proprietor or self-employed person can withdraw from the program by submitting a written notice to DOL at least 30 days before his or her initial enrollment period expires, or at other times the department may prescribe by rule.

§§ 9 & 11 — Complaints and Enforcement

The bill allows an FMLC participant aggrieved by a denial of benefits to file a complaint with the labor commissioner. The commissioner must hold a hearing after receiving the complaint and must subsequently send each party a written copy of his decision. The commissioner may award the participant all appropriate relief, including any compensation or benefits to which the participant would have otherwise been eligible. Any party aggrieved by the commissioner's decision may appeal to the Superior Court under the Uniform Administrative Procedure Act.

Under the bill, anyone who willfully makes a false statement or misrepresentation regarding a material fact, or willfully fails to report a material fact to obtain FMLC benefits is disqualified from receiving program benefits for one year. DOL can also seek repayment of any benefits paid (1) erroneously, (2) due to willful misrepresentation, or (3) before a FMLC claim was rejected. The bill gives the labor commissioner discretion to waive any repayments, in whole or in part, when they would be against equity and good conscience.

§ 10 — Employer Notice Requirement

Starting January 1, 2020, the bill requires all employers with at least two employees to notify their employees at the time of hiring and every year thereafter:

- 1. of their entitlement to family and medical leave and family violence leave, as amended by the bill, and the terms under which the leave may be used;
- 2. that employer retaliation against an employee for requesting, applying for, or using family medical leave for which an employee is eligible is prohibited; and
- 3. that the employee can file a complaint with the labor commissioner for any violation of the FMLA or family violence leave law, as amended by the bill.

Employers can meet this requirement by displaying a poster with

the above information in a conspicuous place in their place of business that is accessible to employees. The poster must be in English and Spanish. The labor commissioner may adopt regulations to establish additional requirements about how employers must provide notice.

(The bill requires employers with at least two employees to meet this notice requirement starting on January 1, 2020; however, the bill does not expand the current FMLA to those employers until July 1, 2020.)

§ 12 — Severability and Exceptions

The bill specifies that its FMLC provisions are severable, and if any are found to contravene state or federal law, the remainder remain in full force and effect. It also specifies that nothing in its provisions (1) prevents employers from providing more expansive benefits, (2) diminishes any rights provided under a collective bargaining agreement, or (3) preempts or overrides the terms of any collective bargaining agreement in effect before the bill is enacted.

§ 13 — Report Requirement

Beginning by July 1, 2021, the bill requires the labor commissioner to submit an annual report to the Labor and Appropriations committees on:

- 1. the projected and actual participation in the program;
- 2. the balance in the trust;
- 3. the size of employers at which covered employees are employed;
- 4. the reasons why covered employees are receiving FMLC benefits;
- 5. the success of DOL's outreach and education efforts; and
- 6. demographic information on covered employees, including their gender, age, town of residence, and income level.

CHANGES TO CURRENT UNPAID LEAVE LAWS §§ 14-18 — FMLA

Covered Employers. Current law requires private-sector employers with at least 75 employees to provide eligible employees with unpaid FMLA leave. The bill (1) reduces this employee threshold from 75 to two and (2) includes municipalities, boards of education, and private or parochial elementary or secondary schools (all of whom are currently excluded from the law), subjecting them to the FMLA's other provisions, as amended by the bill. It does not extend the FMLA's provisions to the state and state employees who receive family and medical leave under a separate law (CGS § 5-248a).

Maximum Leave Duration. The bill changes the maximum amount of leave an employee may take from 16 weeks over a 24-month period to 12 weeks over a 12-month period. This change reduces the amount of leave that employees currently covered under the state FMLA can potentially take over two years, because under current law, an employee can choose to take all 16 weeks of state leave in the first year followed by 12 weeks of federal FMLA leave in the second year (when they are ineligible for state FMLA leave).

Employee Eligibility. Under current law, private sector employees are eligible for leave once they work for their employer for at least 12 months and 1,000 work-hours. The bill instead makes an employee eligible if he or she meets the minimum earnings threshold for FMLC benefits. (This includes unemployed people who are not receiving unemployment benefits, although it is unclear how the FMLA, which requires employers to provide their employees with leave, would apply to the unemployed.)

Current law allows employees to take leave for themselves, their children under age 18 or who are unable to care for themselves, their spouses, and their parents (including in-laws). The bill expands the family members for whom an employee can take leave to include the employee's adult children, siblings, grandparents, and grandchildren. All of these family members include those related by adoption.

Siblings, grandparents, and grandchildren also include those related by marriage.

Military Caregiver Leave. The law allows employees covered by the FMLA to take a one-time benefit of up to 26 weeks of unpaid leave for certain family members who are armed forces members undergoing treatment for an injury or illness incurred in the line of duty. The bill allows these employees to receive up to 12 weeks of FMLC benefits while on this leave.

It also adds to the family members for whom the employee can take leave to include the employee's (1) siblings and grandparents (regardless of their status as next of kin); (2) grandchildren related by blood, adoption, or marriage; and (3) siblings and grandparents related by marriage.

Employer-provided Paid Leave. Current law allows an employer to require employees to use their accrued employer-provided paid vacation, personal, family, medical, or sick leave during the time they are on FMLA leave. Employers can no longer require this under the bill. By law, unchanged by the bill, employees can opt to use their employer-provided paid leave while they are on FMLA leave.

As under current law, an employee's use of employer-provided paid leave counts toward his or her FMLA leave; however, the bill allows employees to receive FMLC benefits to make up the difference between their available employer-provided paid leave and the 12 weeks of leave allowed under the bill.

Current law requires employers to allow their employees to use up to two weeks of their employer-provided paid sick leave for a spouse's or child's serious health condition or the birth or adoption of a child. The bill expands this requirement to include serious health conditions of siblings, grandparents, and grandchildren (including those related by marriage).

Confidentiality. With certain exceptions, the FMLA requires

employers to keep records and documents related to their employees' medical histories and medical certifications as confidential medical records under the state's Personnel Files Act. The bill extends this requirement to include the same records related to providing FMLC benefits.

§ 20 — Family Violence Leave

Current law requires employers (including the state) with at least three employees to allow employees who are family violence victims to take paid or unpaid leave to (1) seek medical care or psychological counseling; (2) obtain service from a victim services organization; (3) relocate because of family violence; or (4) participate in any civil or criminal proceeding related to, or resulting from, the family violence. The bill lowers the employer's employee threshold from three to two employees and allows the leave to include benefits paid under the FMLC program. (Presumably, this would not include state employees, as they are not covered by the FMLC program under the bill.)

The law, unchanged by the bill, allows employers to limit unpaid family violence leave to 12 days per calendar year. It also specifies that family violence leave does not count against any other leave provided under state or federal law. It appears that this will allow family violence victims to take family violence leave in addition to the 12 weeks of leave allowed under the bill, although any FMLC benefits an employee receives while on family violence leave will be subject to the bill's 12-week benefit limit.

§ 22 — Municipal Employee Family Medical Leave

Under current law, municipal employees are generally only eligible for family medical leave under the federal FMLA. The federal law provides 12 weeks of unpaid leave over a 12-month period to employees who worked for their employer for at least 12 months and 1,250 work-hours over the 12 months immediately preceding their leave. But current state law also allows certain municipal employees to qualify for leave under a lower work-hour threshold and in certain circumstances not allowed under federal law.

The bill eliminates these laws on July 1, 2020 and brings all municipal employees under the state FMLA. Thus, to qualify for leave they will only have to meet the minimum earnings threshold for FMLC benefits and will be able to take leave for any reasons allowed under the state FMLA.

BACKGROUND

Related Bill

SB 1, reported favorably by the Labor and Public Employees Committee, also creates the Family and Medical Leave Compensation (FMLC) program and changes various provisions of the state's FMLA and family violence leave law. It is identical to HB 6212.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Yea 8 Nay 5 (03/09/2017)